

**CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2017-18**

Your Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018.

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance is set of practices followed to ensure that the affairs of the Company are managed in a way which would ensure its accountability, transparency and fairness in all its transactions and meet its stakeholders' aspirations and social expectations.

The Company believes in highest standards of good and ethical Corporate Governance practices. Good Corporate Governance practices stem from the culture and mindset of the organization. It is also believed that Corporate Governance is not only about enacting regulations and procedures but also maintaining and establishing an environment of trust and confidence among various stakeholders. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target.

In order to adopt Corporate Governance practice in its true spirit, the Company has put in place "Tata Code of Conduct" for its employees including Managing Director and senior management. In addition, the Company has also adopted a Code of Conduct for its Non-Executive Directors, which includes duties of the Independent Directors as laid down in the Companies Act, 2013 (the "Act"). These codes are available on the website of the Company. Further, the Company's Corporate Governance philosophy has been strengthened through the "Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices".

**TATA CODE OF CONDUCT**

Tata Code of Conduct is a comprehensive document that serves as the ethical road map for the employees and the Company. It also inter alia governs the conduct of business in consonance with national interest, fair and accurate presentation of financial statements, being an employer providing equal opportunities to its employees, prohibition on acceptance of gifts and donations that can be intended or perceived to obtain business or uncompetitive favors, practicing political non-alignment, safe and healthy environment for its people, maintaining quality of products and services, being a good corporate citizen, ethical conduct and commitment to enhancement of stakeholders' value.

All the Directors and senior management personnel have affirmed compliance with the Code of Conduct for the Financial Year 2017-18 ("Year"). The declaration by Managing Director in this respect appears elsewhere in the Annual Report for the Year.

**TATA CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING AND CODE OF CORPORATE DISCLOSURE PRACTICES**

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a code under the nomenclature of "Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices" for prevention of insider trading and ensuring timely and adequate disclosures of all Unpublished Price Sensitive Information in a transparent manner.

**BOARD OF DIRECTORS****Composition**

The Board of Directors of the Company (the "Board") has an optimum combination of Executive and Non-Executive Directors and composition of the Board is in conformity with Regulation 17 read with Regulation 25(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The Company has adopted the Governance Guidelines on Board Effectiveness (the "Governance Guidelines"), keeping in view the provisions of the Act and the Listing Regulations. These Governance Guidelines, amongst other things, cover aspects related to composition of the Board/Committees with adequate numbers of Executive Directors, Non-Executive Directors and Independent Directors, effective discharge of duties by individual Directors, the Board and its Committees in the best interest of the stakeholders, appointment/retirement of Directors and performance evaluation of the individual Directors, the Board as a whole and its Committees.

The Board of Directors, as on March 31, 2018, comprised of 4 (Four) Directors. Of the 4 (Four) Directors, 3 (Three) i.e., 75% of the total number of Directors were Non-Executive Directors and 2 (Two) i.e., 50% of the total number of Directors were Independent Directors (including a Woman Director). The Company is managed by the Managing Director under the supervision, direction and control of the Board. The Managing Director is assisted by a team of highly qualified and experienced professionals.

None of the Directors of the Company is a Member of more than 10 Committees or Chairman of more than 5 Committees (Committees include Audit Committee and Stakeholders' Relationship Committee) across all public companies in which he/she is a Director. All the Directors have made the necessary disclosures regarding committee positions held by them in other companies. None of the Directors of the Company is related to each other.

All the Directors are also in compliance of the limit on Independent Directorship of listed companies as prescribed in Regulation 25(1) of the Listing Regulations. All the Independent Directors of the Company have confirmed that they meet the criteria of 'Independence' as stipulated under the Act and the Listing Regulations.

All the Directors of the Company, except Independent Directors, are liable to retire by rotation. The Company does not have any Nominee Director of Financial Institutions/Banks.

The Board met at least once in each quarter and the maximum time gap between two Board Meetings did not exceed the limit prescribed in the Act and the Listing Regulations. 7 (Seven) Meetings of the Board of Directors were held during the Year, viz.

May 12, 2017; July 31, 2017; August 8, 2017; October 12, 2017; October 18, 2017; December 19, 2017 and February 2, 2018.

The names and categories of the Directors, their attendance at Board Meetings and Annual General Meeting held during the Year, the number of Chairmanships/Directorships and Committee Chairmanships/Memberships of the Board of public companies (including that of the Company) held by them and number of shares of the Company held by them as on March 31, 2018 are given herein below. The directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. Chairmanship/Memberships of the Board Committees include only Audit Committee and Stakeholders Relationship Committee:

Name of the Director	Director Identification Number	Category of the Director	Number of Shares held (including held by dependents)	Number of Directorship(s) (including in the Company)		Committee(s) position (including in the Company)	
				Member	Chairman	Member	Chairman
Mr. D. T. Joseph	01716572	Independent, Non-Executive	-	3	-	3	2
Ms. Hiroo Mirchandani	06992518	Independent, Non-Executive	-	7	-	4	2
Mr. Govind Sankaranarayanan	01951880	Non-Independent, Non-Executive	-	2	-	1	-
Mr. N. Srinath	00058133	Executive	-	5	-	2	-
Mr. Kishor A. Chaukar (retired w.e.f. August 1, 2017)	00033830	Non-Independent, Non-Executive	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

#### Attendance of Directors at Board Meetings and AGM

Name of the Director	Number of Board Meetings during the Year		Attendance at AGM held on July 31, 2017
	Held	Attended	
Mr. D. T. Joseph	7	6	Present
Ms. Hiroo Mirchandani	7	7	Present
Mr. Govind Sankaranarayanan	7	7	Present
Mr. N. Srinath	7	7	Present
Mr. Kishor A. Chaukar (retired w.e.f. August 1, 2017)	7	2	Present

All the information required to be placed before the Board under Part A of Schedule II to the Listing Regulations has been duly placed. Dates of the Board/Committee Meetings are decided at the beginning of the financial year and are communicated to all the Directors well in advance. Additional meetings of the Board of Directors are held when deemed necessary. The agenda alongwith the explanatory notes are circulated in advance to the Directors.

#### Familiarization Programme for Independent Directors

At the time of appointment of an Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected from him/

her as a Director of the Company. The Independent Directors of the Company were also provided with necessary documents/ brochures, reports and internal policies to familiarize them about the telecom industry, business operations and functioning of various divisions/departments of the Company.

The details of Familiarisation programme imparted to the Independent Directors are available on the Company's website at the following weblink:

<https://corporate.tatateservices.com/Downloads/ttml/Details%20of%20Familiarization%20Programmes%20-%20upto%20FY%202017-18.pdf>

## AUDIT COMMITTEE

### Terms of Reference

The terms of reference of the Audit Committee as on March 31, 2018 are broadly as under:

#### a) Statutory Auditors

- i) Recommend to the Board of Directors (the "Board") the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors, including filling of a casual vacancy, fixation of audit fee/ remuneration, terms of appointment.
- ii) Recommend to the Board, the name of the audit firm who may replace the incumbent auditor on the expiry of their term.
- iii) Approve the appointment of and the fees for any other services as may be rendered by the statutory auditors. Provided that the statutory auditors shall not render services prohibited to them by Section 144 of the Act or by professional regulations.

The Committee shall take into consideration the qualifications and experience of the individual/firm proposed to be considered for appointment as auditors and whether qualifications and experience are commensurate with the size, nature of business and requirements of the Company and also consider any completed and pending proceedings relating to professional matters of conduct against the proposed individual auditor/firm of auditors before the Institute of Chartered Accountants of India or any competent authority or any Court.

#### b) Review and monitor independence and performance of statutory auditors

- i) Review and monitor the independence and performance of the auditors and effectiveness of audit process.
- ii) The Committee is also responsible for:
  - Actively engaging in dialogue with the Statutory Auditors with respect to any disclosed relationship or services that may impact the objectivity and independence of the statutory auditors, and
  - Recommending that the Board takes appropriate action in response to the Statutory Auditors' Report to satisfy itself of their independence.

#### c) Review audit plan

Review/discussion with the Statutory Auditors their plans for, and the nature and scope of, their annual audit and other examinations.

#### d) Review and examination of Audit Reports

Review and examination with the Statutory Auditors the proposed report on the annual audit, areas of concern, the

accompanying management letter, if any, the reports of their reviews of the Company's interim financial statements, and the reports of the results of such other examinations outside of the course of the statutory auditors' normal audit procedures that they may from time to time undertake.

#### e) Review and examination of Financial Statements

Review and examination of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are accurate, sufficient and credible.

The Audit Committee shall review with appropriate officers of the Company and the Statutory Auditors, the annual financial statements of the Company prior to submission to the Board or public release thereof, focusing primarily on:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(5) of the Companies Act, 2013.
- Any changes in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgement by management.
- Qualifications in draft audit report.
- Significant adjustments made in the financial statements arising out of audit.
- The going concern assumption.
- Compliance with accounting standards.
- Compliance with listing and other legal requirements relating to financial statements.
- Any related party transactions i.e., transactions of the Company with its subsidiaries, promoters or the management, or their relatives, etc. that may have conflict with the interest of the Company at large.
- Contingent liabilities.
- Status of litigations by or against the Company.
- Claims against the Company and their effect on the accounts.

The definition of the term "Financial Statement" shall be the same as under section 2(40) of the Companies Act, 2013.

#### f) Review quarterly/half yearly Results

Reviewing with the management, the quarterly/half yearly financial statements before submission to the Board for approval.

**g) Risk Management Functions**

Evaluation of internal financial and operational controls and risk management systems to obtain reasonable assurance based on evidence regarding processes followed and their appropriate testing that such systems are adequate and comprehensive, are in place and are working effectively.

The Committee shall have access to any internal information necessary to fulfill its oversight role. As and when required, the Committee may assign tasks to the Internal Auditors, the Company's internal Risk management team and any external expert advisors considered necessary for any task and they will provide their findings to the Committee.

**h) Review policies**

Review and confirm that the Company has in place a system of determining and mitigating financial and enterprise-wide risks applicable to the Company and that the system is functioning effectively.

**i) Internal Auditor**

i) Recommend to the Board the appointment, re-appointment and if required, the replacement or removal of the Internal Auditors, including fixation of audit fee/remuneration and terms of appointment.

ii) Review of performance of Internal Auditor.

**j) Review internal audit function**

Review the adequacy of the internal audit function, including the structure of the internal audit department, adequate staffing and the qualifications, experience, authority and autonomy of the person heading the department, the reporting structure, coverage and frequency of internal audit.

**k) Review Internal Audit plans**

Review with the senior internal audit executive and appropriate members of the staff of the internal auditing department and/or with outside individual/firm appointed as Internal Auditor the plans for and the scope of their ongoing audit activities and also review the periodicity and methodology for conducting the internal audit.

**l) Review Internal Audit reports**

i) Review with the senior internal auditing executive and appropriate members of the staff of the internal auditing department and/or with outside individual/firm appointed as Internal Auditor the periodic reports of the findings of the audit and reports and the necessary follow up and implementation of correction of errors and other necessary actions required.

ii) Review the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of the internal control system of a material nature and ensure that proper corrective action is taken. Any such matters shall be reported to the Board if necessary and appropriate.

**m) Cost Auditor**

The Committee shall after taking into consideration the qualifications and experience of the person proposed for appointment as the cost auditor, recommend such appointment to the Board, together with the remuneration to be paid to the cost auditor.

**n) Other Auditor(s)**

The Committee may appoint such other auditor(s) and recommend them to the Board, together with the remuneration to be paid to such auditor, as may be required by any law for the time being in force.

**o) Review systems of internal accounting controls**

Review with the statutory auditors and the senior internal auditing executive to the extent deemed appropriate by the Chairman of the Committee, the adequacy of the Company's internal accounting systems for appropriate control over the financial reporting and accounting process(es).

**p) Review other matters**

Review such other matters in relation to the accounting, auditing and financial reporting practices and procedures of the Company as the Committee may, in its own discretion, deem desirable in connection with the review functions described above.

**q) Review of Whistle Blower Policy**

i) Review and ensure the existence, adequacy and effective functioning of a Vigil Mechanism/Whistle Blower Policy appropriate to the size, complexity and geographic spread of the Company and its operations.

ii) Chairman of the Audit Committee be directly accessible in exceptional cases.

iii) To carry such other functions/actions as stated in the Whistle Blower Policy of the Company.

**r) Approval for appointment of Chief Financial Officer ("CFO")**

The Committee shall approve the appointment of the CFO (the whole-time Finance Director or any other person heading the finance function) after assessing the qualifications, experience and background etc. of the candidate.

**s) Review and monitor the Statement of Uses and Application of Funds**

Review and monitor, with the management, the statement of uses/application of funds raised through an issue (public, rights preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of the public issue or rights issue, and make appropriate recommendations to the Board.

**t) Review of Related Party Transactions**

- i) Review and approve transactions with related parties which are in ordinary course of business and on arms length basis.
- ii) Review, approve and recommend to the Board the transactions with related parties which are not in ordinary course of business or on arms length basis.
- iii) Review the statement in summary form of transactions with related parties.
- iv) Approval or any subsequent modification of all transactions of the Company with related parties.

**u) Investigation**

The Audit Committee has the authority to investigate any matter in relation to the items specified in Section 177 of the Companies Act, 2013 or referred to it by the Board and for this purpose; it has full access to the information contained in the records of the Company.

**v) Seek information / advice**

The Audit Committee may seek information from any employee and may obtain from external independent sources any legal or other professional advice it considers necessary in the performance of its duties. It may also secure attendance of independent professional persons (outsiders) with suitable qualifications and relevant experience in specific matters, if it considers this necessary.

**w) Review and monitor any default of payment**

Looking into reasons for any substantial defaults in payment to depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors, if any.

**x) Reporting of Fraud by the Auditors**

In case the auditor has sufficient reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company, or by the Company, the Auditor shall forward his report to the Committee and the Committee shall send its reply or observations to the Auditor and such matters shall be reported to the Board by the Committee.

**y) Review of other Information**

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operation, to be included in the Company's Annual Report to its shareholders.
2. Statement of related party transaction submitted by the management.
3. Management letters or letters of internal control weaknesses issued by the statutory auditors.

4. Internal audit reports relating to internal control weaknesses.
5. Inter-corporate loans and investments.
6. Valuation of undertakings and assets of the Company whenever necessary.

**z) Reporting to Board**

Report its activities to the Board in such manner and at such times, as it deems appropriate.

**aa) To attend Meeting(s)**

The Chairman of the Audit Committee shall attend the Annual General Meetings of the Company to provide any clarification on matters relating to its scope sought by the members of the Company.

The representatives of Statutory Auditors/Internal Auditors/ Cost Auditors/ or other auditors as may be appointed shall be special invitees to the Audit Committee meetings in which they are invited by the Committee to participate, and they shall participate in discussions related to the audit and reviews of the financial statements of the Company and any other matter that in the opinion of the statutory auditors needs to be brought to the notice of the Committee or any matter.

The Audit Committee may also invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the Committee, but on occasions it may also meet without the presence of any executives of the Company.

**bb) Review of the Terms of Reference of the Audit Committee**

The Committee shall review and reassess the adequacy of the terms of reference of the Audit Committee on a periodical basis, and where necessary obtain the assistance of the management, external auditors and external legal counsel.

Management Discussion and Analysis of Financial Condition and Results of Operations, statements of related party transactions, internal audit reports, fraud related reports, quarterly results, management letters to auditors, proposals and terms of appointment of internal auditors have been regularly placed before the Audit Committee for review during the Year.

**Composition, Meetings held and attendance during the Year**

The composition of the Audit Committee of the Board is in conformity with Section 177 of the Act and Regulation 18 of the Listing Regulations. The Audit Committee meetings are also attended by the Managing Director, Chief Financial Officer, Statutory Auditors and Internal Auditors. The Cost Auditor is invited to attend the meeting of the Audit Committee at which Cost Audit related matters are discussed. The functional heads are also invited as and when required. The Company Secretary acts as Secretary to the Committee.

The Audit Committee met at least once in each quarter and the maximum time gap between two Audit Committee meetings did not exceed the limit prescribed in Regulation 18 of the Listing Regulations. 6 (Six) meetings of the Audit Committee were held during the Year, viz. May 12, 2017; July 31, 2017; August 8, 2017; October 12, 2017; December 19, 2017 and February 2, 2018. The composition of the Audit Committee as on March 31, 2018 and the details of attendance of each Member at these meetings are given below:

Name of the Member	Category	No. of Meetings during the Year	
		Held	Attended
Ms. Hiroo Mirchandani (Chairperson)	Independent, Non-Executive	6	6
Mr. D. T. Joseph	Independent, Non-Executive	6	6
Mr. Govind Sankaranarayanan	Non-Independent, Non-Executive	6	6

The necessary quorum was present at all the meetings. Chairperson of the Audit Committee was present at the Annual General Meeting held on July 31, 2017.

## NOMINATION AND REMUNERATION COMMITTEE

### Terms of Reference

The terms of reference of the Nomination and Remuneration Committee ("NRC") as on March 31, 2018 were broadly as under:

1. Recommend to the Board the set up and composition of the Board. This shall include "Formulation of the criteria for determining qualifications, positive attributes and independence of a director".
2. Recommend to the Board the appointment or re-appointment of directors.
3. Devise a policy on Board diversity.
4. Carry out the evaluation of every director's performance and support the Board and independent directors, as may be required, in evaluation of the performance of the Board, its committees and individual directors. This shall include "Formulation of criteria for evaluation of Independent Directors and the Board."
5. Recommend the remuneration policy for the directors, KMP, executive team and other employees. While formulating the policy NRC shall ensure that:
  - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c) remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

6. Recommend the remuneration payable to the Managing Director and Executive Director/s and shall discharge any other statutory duties and functions as may be specified under law, or to perform such task/s as may be entrusted to NRC by the Board of Directors from time to time.

### Composition, Meetings held and attendance during the Year

The composition of the NRC of the Board is in conformity with the Section 178 of the Act and Regulation 19 of the Listing Regulations.

1 (One) meeting of the NRC was held during the Year, viz. May 12, 2017. The composition of the NRC as on March 31, 2018 and the details of attendance of each Member at this meeting are given below:

Name of the Member	Category	No. of Meeting(s) during the Year	
		Held	Attended
Mr. D. T. Joseph (Chairman)	Independent, Non-Executive	1	1
Ms. Hiroo Mirchandani	Independent, Non-Executive	1	1
Mr. Govind Sankaranarayanan (appointed as a Member w.e.f. August 1, 2017)	Non-Independent, Non-Executive	-	-
Mr. Kishor A. Chaukar (retired w.e.f. August 1, 2017)	Non-Independent, Non-Executive	1	1

The Chairman of the NRC was present at the Annual General Meeting held on July 31, 2017.

### Performance Evaluation Criteria for Independent Directors

The Governance Guidelines adopted by the Company, inter alia, lay down the evaluation criteria and procedure for performance evaluation of Independent Directors. Criteria for evaluation of Independent Directors include aspects such as attendance and contribution at the Board/Committee Meetings and guidance/support to management outside Board/Committee Meetings.

## Remuneration Policy

The Company has adopted the Remuneration Policy for its Directors, Key Managerial Personnel and other employees of the Company, which has been annexed to the Directors' Report forming part of this Annual Report.

### Remuneration paid to the Directors

None of the Non-Executive Directors, apart from receiving sitting fees for attending meetings, have any material pecuniary relationship or transaction with the Company.

### Non-Executive Directors

During the Year, the Company paid sitting fees of Rs. 50,000/- per meeting to Non-Executive Directors who are not in the employment of Tata Companies, for attending meetings of the Board or any Committee thereof and sitting fees of Rs. 20,000/- per meeting for Non-Executive Director who is in the employment of Tata Company, for attending meetings of the Board or any Committee thereof.

The Company also reimburses out-of-pocket expenses incurred by the Directors for attending the meetings and for business of the Company.

None of the Directors has been issued any stock options by the Company during the Year or any time in the past. Further, none of the Directors of the Company are in receipt of any Commission from the Company.

The details of sitting fees paid by the Company during the Year are as follows:

#### A) Non-Executive Directors

Name of the Director	Sitting Fees (Rs.)
Mr. D. T. Joseph	7,50,000
Ms. Hiroo Mirchandani	7,00,000
Mr. Govind Sankaranarayanan	2,80,000
Mr. Kishor A. Chaukar (retired w.e.f. August 1, 2017)	1,50,000

#### B) Managing Director

Mr. N. Srinath, Managing Director, does not draw any remuneration from the Company.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

### Terms of Reference

The Stakeholders Relationship Committee ("SRC") specifically looks into redressal of grievances of shareholders and other securities holders. SRC considers and resolves the grievances of shareholders of the Company including complaints related to

transfer of shares, non-receipt of annual report, dematerialization of shares, issue of duplicate and renewed share certificates, etc.

### Composition, Meetings held and attendance during the Year

The composition of the SRC of the Board is in conformity with Section 178 of the Act and Regulation 20 of the Listing Regulations. During the Year, the Committee met once on March 26, 2018. The composition of SRC and the details of attendance of each Member at the meeting are given below:

Name of the Member	Category	No. of Meeting(s) during the Year	
		Held	Attended
Mr. D. T. Joseph (Chairman)	Independent, Non-Executive	1	1
Mr. N. Srinath	Executive	1	1

### Details of Shareholders' complaints received and resolved

The details of Shareholders' complaints received and redressed during the Year are as follows:

Opening	Received during the Year	Resolved during the Year	Pending
0	3	3	0

The status of complaints is reported to the Board on a quarterly basis.

### Name and designation of the Compliance Officer

Mr. Kiran Thacker  
Company Secretary & Compliance Officer

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### Terms of Reference

The terms of reference of Corporate Social Responsibility ("CSR") Committee as on March 31, 2018 are as follows:

- To frame the CSR Policy, subject to the approval by the Board.
- To make the necessary and required modifications and variations in the CSR Policy, subject to the approval by the Board.
- To determine the amount to be expended towards the CSR activities subject to the minimum limits prescribed by the Act.
- To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

### Composition, Meetings held and attendance during the Year

During the Year, the Committee met once i.e., on March 26, 2018. The composition and the details of attendance of each Member at the meeting are given below:

Name of the Member	Category	No. of Meeting(s) during the Year	
		Held	Attended
Mr. D. T. Joseph	Independent, Non-Executive	1	1
Mr. Govind Sankaranarayanan (appointed as a Member w.e.f. August 1, 2017)	Non-Independent, Non-Executive	1	1
Mr. N. Srinath	Executive	1	1
Mr. Kishor A. Chaukar (retired w.e.f. August 1, 2017)	Non-Independent, Non-Executive	-	-

In addition to the above, the Company also has other Committees, viz.:

- Executive Committee** to review business and strategy related approvals, long-term financial projections, cash flows, capital and revenue budgets, capital expenditure programmes,

acquisitions, divestments, business restructuring proposals, senior management succession planning; and

- Finance Committee** inter alia to consider and approve proposals for availing various loans/credit facilities and other treasury related matters within the powers delegated by the Board.

### INDEPENDENT DIRECTORS' MEETING

During the Year, the Independent Directors met on May 12, 2017, inter alia, to assess the quality, content and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

### GENERAL BODY MEETINGS

#### Details of General Meetings

The Company's first statutory meeting was held on April 24, 1995. Till date, the Company has held 22 AGMs and 15 Extraordinary General Meetings of the shareholders.

The details of date, time and venue of the AGMs held during the last three years are as under:

Particulars	Date	Time	Venue
20 <sup>th</sup> Annual General Meeting	September 22, 2015	1430 hours	"Rangaswar", 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan Mumbai, Gen. Jagannath Rao Bhosle Marg, Nariman Point, Mumbai – 400 021
21 <sup>st</sup> Annual General Meeting	August 26, 2016	1430 hours	
22 <sup>nd</sup> Annual General Meeting	July 31, 2017	1100 hours	

Details of Special Resolution(s) passed in the above referred AGMs are as under:

Particulars of the AGM	Section under which Special Resolution was passed	Purpose
20 <sup>th</sup> AGM held on September 22, 2015	Section 180(1)(c) and 180(1)(a)	(i) Increasing borrowing powers of the Board of Directors under Section 180(1)(c) of the Companies Act, 2013; and (ii) Increasing the powers of the Board of Directors to create security on properties/assets of the Company under Section 180(1)(a) of the Companies Act, 2013.

### POSTAL BALLOT

#### Special Resolution(s) passed through Postal Ballot

During the Year, the Company sought approvals of Members by way of Special Resolution(s) through Postal Ballot as required pursuant to Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (the "Rules") for the following Special Resolutions:

#### Postal Ballot Notice dated August 3, 2017

- Increase in the Authorised Share Capital and Alteration of the Capital Clause in the Memorandum of Association of the Company.
- Issue of 0.1% Non-cumulative Redeemable Preference Shares - Series 2 on Preferential basis.
- Issue of Non-convertible Debentures on Private placement.
- Availing/Acceptance of Inter Corporate Deposits / Loans.

Results of the aforesaid Postal Ballot were announced on Wednesday, September 13, 2017. Ms. Dipti A. Mehta, Partner, M/s. Mehta & Mehta, Practicing Company Secretaries, was appointed as Scrutinizer for carrying out the postal ballot process. The above said Special Resolutions were passed by the Members with the requisite majority as per the following details:

Brief Description of Resolution	Voted in favour of the resolution			Voted against the resolution		
	Number of Members voted	Number of Votes cast by them (Shares)	% of total number of valid votes cast	Number of Members voted	Number of Votes cast by them (Shares)	% of total number of valid votes cast
Increase in Authorised Capital of the Company and Alteration of Capital Clause in the Memorandum of Association of the Company	1,130	145,79,08,648	99.43	86	83,62,755	0.57
Issue of 0.1% Non-cumulative Redeemable Preference Shares – Series 2 on Preferential Basis to Tata Teleservices Limited	1,087	146,59,44,033	99.98	121	3,11,933	0.02
Issue of Non-Convertible Debentures on private placement	1,048	36,88,41,274	99.91	150	3,17,575	0.09
Availing/acceptance of Inter Corporate Deposit/Loans	1,077	36,06,88,017	97.70	130	85,00,730	2.30

**Postal Ballot Notice dated October 23, 2017**

1. Increasing the borrowing limits of the Company under Section 180(1)(c) of the Companies Act, 2013.
2. Creation of Charge / Mortgage on the properties/assets of the Company under Section 180(1)(a) of the Companies Act, 2013.
3. Increase in the Authorised Share Capital and Alteration of the Capital Clause in the Memorandum of Association of the Company.
4. Issue of Non-cumulative Redeemable Preference Shares - Series 3 on Preferential basis.
5. Issue of Non-convertible Debentures on Private placement.
6. Availing/Acceptance of Inter Corporate Deposits / Loans.

Results of the aforesaid Postal Ballot were announced on Friday, December 1, 2017. Ms. Dipti A. Mehta, Partner, M/s. Mehta & Mehta, Practicing Company Secretaries, was appointed as Scrutinizer for carrying out the postal ballot process. The above said Special Resolutions were passed by the Members with the requisite majority as per the following details:

Brief Description of Resolution	Voted in favour of the resolution			Voted against the resolution		
	Number of Members voted	Number of Votes cast by them (Shares)	% of total number of valid votes cast	Number of Members voted	Number of Votes cast by them (Shares)	% of total number of valid votes cast
Increasing the borrowing limits of the Company under Section 180(1)(c) of the Companies Act, 2013	1,002	146,47,71,138	99.9872%	95	1,87,908	0.0128%
Creation of Charge / Mortgage on the properties/assets of the Company under Section 180(1)(a) of the Companies Act, 2013	982	146,47,47,837	99.8547%	105	2,13,102	0.1453%
Increase in the Authorised Share Capital and Alteration of the Capital Clause in the Memorandum of Association of the Company	1,008	145,71,55,738	99.4682%	75	77,90,039	0.5318%
Issue of Non-cumulative Redeemable Preference Shares - Series 3 on Preferential basis	983	146,48,04,488	99.9894%	102	1,55,041	0.0106%
Issue of Non-convertible Debentures on Private placement	987	36,77,05,656	99.9622%	90	1,39,186	0.0378%
Availing/Acceptance of Inter Corporate Deposits / Loans	1,010	36,00,39,424	97.8812%	75	77,93,740	2.1188%

### Special Resolution(s) proposed to be passed by way of Postal Ballot

Currently, no Special Resolution is proposed to be transacted by way of Postal Ballot.

### Procedure for Postal Ballot

In compliance with Sections 108, 110 and other applicable provisions of the Act, read with Rules 20 and 22 of the Rules and Regulation 44 of the Listing Regulations, the Company provides remote electronic voting (“e-voting”) facility to all its Members, to enable them to cast their votes electronically. The Company engages the services of National Securities Depository Limited for the purpose of providing e-voting facility to all its Members.

The Members have the option to vote either by Postal Ballot Form or e-voting. The Company dispatches the postal ballot notices and forms (a) through electronic means to all the Members whose e-mail IDs are registered with the Company or Depository Participant(s) and (b) in physical form, with postage prepaid self-addressed business reply envelope, to all other Members at their registered address by the permitted mode. The Company also publishes a notice in the newspaper declaring the details of completion of despatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the Scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The Scrutinizer submits his/her report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman / Authorized Director. The results are also displayed on the website of the Company viz., [www.tatateleservices.com](http://www.tatateleservices.com), besides being communicated to the Stock Exchanges (“SEs”).

### MEANS OF COMMUNICATION

- The quarterly, half yearly and annual results are communicated through a Press Release and published in Business Line (English) and Navshakti (regional language). The Financial results, official press releases and presentations, if any, are also displayed on the website of the Company viz. [www.tatateleservices.com/en-in/ttml-investors](http://www.tatateleservices.com/en-in/ttml-investors).
- The financials and other information filed by the Company from time to time with the SEs are available on the website of the Company and website of the SEs i.e., BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”). BSE has introduced online filing of information through BSE Corporate Compliance and Listing Centre and NSE has introduced NSE Electronic Application Processing System

(“NEAPS”). Various reports/information as required under the Listing Regulations are filed through these systems.

### MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the Management Discussion and Analysis forms part of this Annual Report.

### GENERAL SHAREHOLDER INFORMATION

#### Twenty Third Annual General Meeting

Date	September 29, 2018
Day	Saturday
Time	1100 Hours
Venue	“Rangaswar”, 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan Mumbai, Gen. Jagannath Rao Bhosle Marg, Nariman Point, Mumbai – 400 021

#### Financial Year

The Company follows the April to March Financial Year.

#### Date of Book Closure

The share transfer books and the Members’ register will be closed between Wednesday, September 26, 2018 to Friday, September 28, 2018 (both days inclusive) for the purpose of the Twenty third (23<sup>rd</sup>) Annual General Meeting of the Company.

#### Listing on the Stock Exchanges

The Company’s equity shares are listed on the following SEs and the listing fees have been paid to both the SEs within the stipulated time:

Name and address of the Stock Exchanges	Stock Code / Scrip Code	ISIN Number
BSE Limited P. J. Towers, Dalal Street, Mumbai – 400 001	532371	INE517B01013
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	TTML	

#### Market Price Data

The High and Low of the Company’s equity shares during each month in the last Financial Year were as follows:

(Amount in Rs.)

Month	BSE		NSE	
	High	Low	High	Low
April 2017	8.30	6.86	8.25	6.85
May 2017	9.45	6.46	9.45	6.50
June 2017	7.45	5.94	7.50	5.90

July 2017	9.45	6.70	10.00	6.70
August 2017	8.15	6.23	8.20	6.25
September 2017	7.15	5.93	7.15	5.90
October 2017	8.63	3.75	8.25	3.70
November 2017	10.99	6.90	10.40	6.75
December 2017	7.60	6.35	7.60	6.25
January 2018	8.01	6.66	7.90	6.80
February 2018	7.25	6.01	7.20	6.10
March 2018	7.04	5.40	6.95	5.45

Source: BSE and NSE Websites

### Performance of the Company's Equity Share Price in comparison to BSE and NSE indices

The performance of the Company's share price vis-à-vis the broad based BSE and NSE indices during the year are as under:

Particulars	TTML Share Price v/s. BSE Sensex		TTML Share Price v/s. NSE Nifty	
	TTML Share Price (Rs.)	BSE Sensex	TTML Share Price (Rs.)	NSE NIFTY
As on April 1, 2017	7.28	29,910.22	7.30	9,237.85
As on March 31, 2018	5.51	32,968.68	5.55	10,113.70
Change (%)	(24.31)	10.23	(23.97)	9.48

### Registrar and Share Transfer Agents

The Company has appointed TSR Darashaw Limited ("TSR") as its Registrar & Share Transfer Agents. Shareholders are advised to approach TSR on the following address for any shares and demat related queries and issues:

#### TSR Darashaw Limited

6-10, Haji Moosa Patrawala Industrial Estate,  
20, Dr. E. Moses Road, Near Famous Studio,  
Mahalaxmi, Mumbai – 400 011.  
Tel.: 91 22 6656 8484  
Fax: 91 22 6656 8494 / 8496  
e-Mail: [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)  
website: [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

### Share Transfer System

All physical share transfers are handled by TSR. The transferee is required to furnish the transfer deed, duly completed in all respects, together with the share certificates to TSR at the above said address in order to enable TSR to process the transfer. As regards transfers of dematerialized shares, the same can be effected through the demat accounts of the transferor/s and

transferee/s maintained with recognized Depository Participants. Pursuant to Regulation 40(9) of the Listing Regulations, the Company obtains certificate from a Practicing Company Secretary on half-yearly basis to the effect that all the transfers are completed within 15 days from the date of lodgment of the transfer. A copy of the certificate so received is submitted to both the stock exchanges, where the equity shares of the Company are listed.

As regards transfers of dematerialized shares, the same can be effected through the demat accounts of the transferor/s and transferee/s maintained with the recognized Depository Participants.

### Distribution of Shareholding

The broad shareholding distribution of the Company as on March 31, 2018 with respect to categories of investors was as follows:

Category of Investors		Percentage of Shareholding	
		As on March 31, 2018	As on March 31, 2017
Promoters and Promoter Group Companies	Indian	74.36 <sup>#</sup> @	63.11 <sup>#</sup>
	Foreign	0.00	11.76 <sup>@</sup>
International Investors (FIIs / NRIs / OCBs / Foreign Banks / Foreign Corporate Bodies)		0.40	1.12
Indian Financial Institutions / Banks / Mutual Funds / Insurance Companies / Central & State Government		0.09	0.05
Private Bodies Corporate / Trusts / NBFCs		3.46	2.44
Individuals		21.69	21.52
<b>TOTAL</b>		<b>100.00</b>	<b>100.00</b>

\*Tata Teleservices Limited (Promoter Company) has pledged its shareholding equivalent to 26% of the Company's total paid-up share capital to secure the term loans/facilities availed by the Company.

# it's the shareholding of Tata Sons Limited (Promoter Company) is locked-in upto September 29, 2018 on allocation of spectrum to the Company pursuant to the Section No. 3.2(x) of the Notice Inviting Applications for Auction of Spectrum No. 1000/06/2016-WF(Auction) dated August 8, 2016 issued by the Department of Telecommunications, Ministry of Communications and amendments thereto.

@ NTT DOCOMO INC. (Another Promoter Company) has transferred its entire shareholding through off-market inter-se transfer to Tata Teleservices Limited.

The broad shareholding distribution of the Company as on March 31, 2018 with respect to size of holdings was as follows:

Range (No. of Shares)	% of Paid-up Capital	Total No. of Shareholders	% of Total No. of Shareholders
1 to 500	1.96	214,889	60.68
501 to 1000	2.11	60,558	17.10
1001 to 2000	2.93	42,831	12.10
2001 to 3000	1.65	13,116	3.70
3001 to 4000	0.98	5,432	1.53
4001 to 5000	0.96	4,000	1.13
5001 to 10000	2.60	7,136	2.02
10001 and above	86.82	6,148	1.74
<b>Total</b>	<b>100.00</b>	<b>3,54,110</b>	<b>100.00</b>

The quarterly shareholding patterns filed with the SEs are also available on the website of the Company and on the website of the SEs where equity shares of the Company are listed i.e., BSE and NSE.

#### Dematerialization of Shares and Liquidity

The equity shares of the Company are under compulsory dematerialized form. As of March 31, 2018, 99.85% of the total equity shares issued by the Company have been dematerialised. The equity shares of the Company are available for dematerialisation with both the depositories in India i.e., National Securities Depository Limited and Central Depository Services (India) Limited.

#### Outstanding Employee Stock Options, Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs") etc.

The Company has not issued any GDRs/ADRs/Warrants. There are no outstanding Foreign Currency Convertible Bonds and Employee Stock Options.

#### Commodity price risk or foreign exchange risk and hedging activities

The Company has a comprehensive foreign exchange risk management policy for managing foreign currency and interest rate exposure. The Company identifies risks and exposures to be hedged from time to time and hedges these exposures at an appropriate cost. During the Year, the Company has managed foreign exchange risk and hedged in compliance with its extant foreign exchange risk management policy. The open foreign exchange exposures are reviewed at a regular interval. Note 2.17(v) to the financial statements describes the accounting policy relating to the foreign currency transactions and translations. The details of the derivative financial instruments are enclosed in the Note 38 of the financial statements.

#### Where we offer services

The Company provides its range of products and services to about 6.1 Million (wireline + wireless) subscribers under the 'Tata

DOCOMO' brand in the State of Maharashtra (including Goa) through its telephone exchanges located at Turbhe (Navi Mumbai), Nariman Point (Mumbai), Andheri (Mumbai), Pune, Nasik, Panjim, Nagpur, Aurangabad and Kolhapur.

#### Address for correspondence

Shareholders holding shares in physical mode are requested to direct all equity shares related correspondence/queries to TSR and only the non-shares related correspondence and complaints regarding TSR should be addressed to the Compliance Officer at the registered office of the Company. Shareholders holding shares in electronic mode (dematerialized) should address all shares related correspondence to their respective Depository Participants only.

#### RISK MANAGEMENT

The Company has devised a formal Risk Management framework for risk assessment, prioritization and minimization. Further, the Company assesses the risk management framework periodically. The scope of the Audit Committee includes review of the Company's financial and risk management framework.

#### OTHER DISCLOSURES

##### Disclosure on Materially Significant Related Party Transactions

All transactions entered into with Related Parties as defined under the Act and Regulation 23 of the Listing Regulations during the Year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Act. All Related Party Transactions ("RPTs") were approved by the Audit Committee. The Company has entered into RPTs which were material as per the Regulation 23 of the Listing Regulations and as per the Policy for RPTs approved by the Board. The Company has obtained approval of Members by way of Postal Ballot for such Material RPTs. There were no Materially Significant RPTs during the Year which in the opinion of the Board may have potential conflict with the interest of the Company at large.

Suitable disclosure as required by the Indian Accounting Standards (Ind AS) – 24 has been made in the notes to the Financial Statements.

Apart from paying sitting fees, there was no pecuniary transaction undertaken by the Company with the Independent/Non-Executive Directors during the Year.

A Policy for Related Party Transactions, as approved by the Board, is available on the Company's website under the following web link: <https://www.tatateleservices.com/Downloads/ttml/Policy-on-Determination-ofMateriality-for-Disclosures.pdf>

##### Disclosure on Whistle Blower Policy

The Company has adopted a Whistle Blower Policy which ensures protection and confidentiality to whistle blowers. The Chairman of

the Audit Committee is authorized to receive from whistle blowers the Protected Disclosures under this policy. The Audit Committee is also authorized to supervise the conduct of investigations of any disclosures made by whistle blowers in accordance with the policy. No personnel of the Company have been denied access to the Audit Committee.

### **Compliance with non-discretionary requirements of Listing Regulations**

The Company has complied with the non-discretionary requirements, relating to Corporate Governance as stipulated in the Listing Regulations, for the Year.

A certificate obtained from Price Waterhouse Chartered Accountants LLP, Auditors, with respect to compliance with the requirements of Corporate Governance for the Year and the same is annexed to this Report.

### **Implementation of discretionary requirements**

The Company has implemented the following discretionary requirements relating to Corporate Governance, as specified in Part E of Schedule II of the Listing Regulations:

- The Company had provided office facilities to the former Non-Executive Chairman of the Company.
- The Company had appointed separate persons to the post of the Chairman and the Managing Director.
- The Internal Auditors report directly to the Audit Committee.

### **Certification with Respect to Financial Statements**

The certificate as required pursuant to Regulation 17(8) of the Listing Regulations is periodically furnished by the Managing Director and the Chief Financial Officer of the Company to the Board of Directors of the Company with respect to accuracy of financial statements and adequacy of internal controls.

### **Details of Compliance with respect to submission of Annual Audited Financial Results**

- Your Company, being a listed Company pursuant to Regulation 33 of the Listing Regulations, was required to submit the Annual Audited Financial Results to the Stock Exchanges for the quarter and year ending March 31, 2016 on or before May

30, 2016 (i.e., sixty days from the end of the financial year). Since the said financial results were under the finalization, the same could not be submitted within the prescribed time. As per the SEBI Circular No. CIR/CFD/CMD/12/2015 dated November 30, 2015 a penalty of Rs. 5000/- per day for non-compliance and if non-compliance continues for more than 15 days, additional fine of 0.1% of Paid-up capital of the Company or Rs. 1 Crore whichever is less shall be imposed by the Stock Exchanges. Accordingly, the Company had paid Rs. 1,01,30,000/- without holding of any tax to National Stock Exchange of India Limited and Rs. 1,14,46,900/- (post deducting TDS amounting to Rs. 2,02,600/-) to BSE Limited, as penalty for delayed submission of financial results.

- Your Company, being a listed Company pursuant to Regulation 33 of the Listing Regulations, was required to submit the Audited Financial Results to the Stock Exchanges for the quarter and half year ending September 30, 2017 on or before November 14, 2017 (i.e., forty five days from the end of the financial year). Since the said financial results were under the finalization, the same could not be submitted within the prescribed time. As per the SEBI Circular No. CIR/CFD/CMD/12/2015 dated November 30, 2015 a penalty of Rs. 5000/- per day for non-compliance and if non-compliance continues for more than 15 days, additional fine of 0.1% of Paid-up capital of the Company or Rs. 1 Crore whichever is less shall be imposed by the Stock Exchanges. Accordingly, the Company had paid Rs. 1,20,06,500/- without holding of any tax to BSE and NSE each, as penalty for delayed submission of financial results.

Apart from above, no other penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

### **Auditors' Certificate**

The certificate dated June 20, 2018 issued by Price Waterhouse Chartered Accountants LLP, Statutory Auditors, on compliance with the Corporate Governance requirements by the Company is annexed to this Report.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these codes are available on the Company's website.

I confirm that the Company has, in respect of the Financial Year ended March 31, 2018, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the General Manager cadre and above and the Company Secretary.

**N. Srinath**  
Managing Director  
DIN: 00058133

Mumbai  
May 30, 2018

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE****To the Members of Tata Teleservices (Maharashtra) Limited**

We have examined the compliance of conditions of Corporate Governance by Tata Teleservices (Maharashtra) Limited for the year ended March 31, 2018 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

**Sharmila Karve**  
Partner  
Membership Number: 043229

Mumbai  
June 20, 2018